GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:4650
ANSWERED ON:19.12.2002
SALE OF LAND BY HMT
MINATI SEN

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the HMT Limited plans to sell off the non-performing assets of its subsidiary HMT watches to raise funds for paying off watch Division`s 3,400 employees who have not got any salaries for the past three months;

(b) if so, whether the HMT watches` market has dwindled considerably over the years resulting in a huge reduction in production due to stiff competition and availability of cheap varieties of watches in the grey market;

(c) if so, the details thereof;

(d) whether HMT watches, owning about 150 acres of land in Bangalore, have not decided to put on sale 32 acres of prime land attached to the factory in the city; and

(e) if so, the details thereof and reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a): The non-performing assets of HMT Watches are proposed to be disposed off for discharging its liabilities and reducing debt burden as per the Turnaround Plan approved in 2000.
(b) & (c): There has been a fall in the production and sales due to competition, availability of spurious and cheaper variety of watches and liquidity crunch. The details of production & sales are as under:-

(Rupees in crore)

Year	Production	Sales
1999-2000	120.26	110.24
2000-2001	144.08	126.23
2001-2002	79.05	96.08
2002-2003 (Upto 31.10.02)	25.48	30.26

(d) & (e): Out of about 150 acres of land owned by HMT Watches Limited in Bangalore, 32 acres of surplus land including certain buildings have been advertised for disposal.